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Numerous Congressional Actions Underway By Congress To Halt Last Year's Contractual Deals And Restore Focus On Economic Recovery

(WASHINGTON, D.C.) - As a result of extraordinary abuses of the public trust by companies rewarding employees with excessive and undeserved bonuses while receiving billions in taxpayer assistance with the support of Congressman Russ Carnahan (MO-3rd) the House of Representatives overwhelmingly passed legislation 328 to 93 to recover taxpayers' dollars.

The measure holds companies -- including American International Group (AIG) and others receiving billions in taxpayer dollars -- accountable for the bonuses that were paid to their executives. It would impose a new recoupment tax on bonuses received by individuals who make over \$250,000 from companies which have received over \$5 billion from the Troubled Assets Relief Program (TARP).

"With the federal government assuming 80% ownership of AIG, American taxpayers as stockholders are justifiably angry and entitled to relief," said Congressman Carnahan. Government is right to utilize every tool at its disposal on behalf the American people, whether it is through taxation, the courts, or the issuance of 'stop payment' measures."

After receiving more than \$170 billion in taxpayer funds, AIG paid \$165 million in so called

“retention bonuses” to executives – most of whom have mismanaged their company into near bankruptcy. The top recipient received more than \$6.4 million and more than 73 of these executives were paid over \$1 million in retention bonuses. After receiving their “retention bonuses,” at least eleven recipients left the company.

"Government action under these circumstances is obviously warranted and Congress, as well as President Obama is right in seeking all legal remedies to recoup these funds," said Carnahan.

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Today’s bill is a common sense solution to recoup bogus bonuses for the undeserving that are being paid for with taxpayer dollars.”

This week, Congress held hearings demanding answers from AIG on steps the company is taking to repay taxpayers. The Judiciary Committee has reported a bill to authorize the Attorney General to recover excessive compensation from these companies.

“While a growing number of members have urged an important role for the Justice Department in dealing with this and like matters,” added Carnahan. **"I am glad to see the FBI being dispatched to help coordinate a top to bottom investigation that can lead to even greater exposure and ultimate accountability."**

The AIG situation underscores the urgency and the need for overall financial regulatory reform so we don't find ourselves in this position again. Congress and the Administration are working together to that end. The President inherited an economic and fiscal mess with 4.4 million jobs lost since the recession began even before being inaugurated.

"The American people place a great deal of trust in our getting to the bottom of this mess, without setting aside the important work we must continue in restoring the nation's ailing economy," said Congressman Carnahan. "It will take time, hard work and difficult choices to get out of this economic and fiscal crisis and move America in a New Direction."